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Date: 04/15/2014 10:47 AM
Subject: Funding Request to assist in the acquisition of 40 Prado Road property and the construction of the new Homeless Services Center.

Dear Chairman Gibson:

On behalf of the Community Action Partnership of San Luis Obispo County, Inc. I am pleased to communicate our funding request to assist in the acquisition of 40 Prado Road property and the construction of the new Homeless Services Center. I have also attached specific information from the Homeless Foundation of San Luis Obispo County, a key partner in this endeavor. All of the cities in the county will be asked to participate.

Project Summary

In a partnership between the Regional Transit Authority, the San Luis Obispo Council of Governments and the Community Action Partnership of San Luis Obispo County, it has been agreed to move forward with the purchase of property for both a RTA operational center and a new Homeless Services Center.

We respectfully request the Board of Supervisors consideration to grant \$500,000 to CAPSLO in exchange for the return of the South Higuera property site, with the funds to be used for the acquisition of 40 Prado Road and construction of the new Homeless Service Center.

Project History

In 2009, as a result of the Ten Year Plan to End Homelessness and the deteriorating conditions of the existing Maxine Lewis Memorial Night Shelter and the Prado Day Center a determination was made to replace those facilities with a new all-encompassing Homeless Services Center (HSC).

In the ensuing years a site location was selected and a long term lease was provided by the County of San Luis Obispo to Community Action Partnership of San Luis Obispo (CAPSLO) for approximately 1.1 acres of County owned land on South Higuera Street for the development and construction of the new center.

The necessary zoning and use conditions for the proposed HSC were approved in 2010 and 2011. In 2012, Community Action Partnership engaged a campaign consultant who organized a Capital Campaign Committee of community leaders to begin the fund raising effort necessary to support the construction and operations of the new HSC.

During the early stages of the capital campaign, significant concerns and issues were voiced by a large group of businesses in the South Higuera Street area about the proposed development. Eventually, the concern grew to include the San Luis Obispo Chamber of Commerce and other segments of the community. The impact of the negativity of these parties presented a serious impediment to the campaign committee members' ability to raise the necessary funds in the community needed for the project to be completed at the proposed site.

In September of 2012, CAPSLO's Board of Directors made the determination to suspend the Capital Campaign for the project and attempt to resolve the discord and look for an acceptable solution. There were numerous requests to once again review the 40 Prado Road site, which had been examined earlier but rejected due to acquisition cost and development issues.

A group effort then began to reassess the issues with the site at 40 Prado Road. A major breakthrough occurred in mid- 2013 when the REGIONAL TRANSIT AUTHORITY(RTA) AND THE SAN LUIS OBISPO COUNTY OF GOVERNMENTS(SLOCOG) met with CAPSLO to discuss the alternative of partnering in the purchase and joint development of the nearly 10 acre site at 40 Prado Road. Since that time, a great deal of work and evaluation has been done by both groups leading to the agreement to move forward and propose a purchase of the 40 Pardo Road site with CAPSLO using approximately (1/3) or 3 acres of the property for the construction of a new Homeless Services Center and RTA eventually moving all its operations to the remaining portion (6 plus acres) of the property.

The 40 Prado Road project already has considerable community support generated from the City of San Luis Obispo, the Chamber of Commerce, Downtown Association and the newly formed non-profit Homeless Foundation for San Luis Obispo County. The Foundation will be taking on the critical role of raising the funds in the community to build the new service center and intends on continuing to maintain their efforts after construction to assist with the funding of on-going operations. The Foundation is currently in the process of confirming the commitments of 30 specific individuals who have already pledged funds to the project and their remaining pledges total over \$400,000.

If we successfully complete the purchase of the 40 Prado Road property, the Homeless Foundation will aggressively begin the Capital Campaign to raise the funding for the development and construction of the Center. **(Please see the separate attachment with information about the Foundation.)**

Project Financing

To accomplish the joint development, the first step is completing the purchase of the site. The owners have agreed to discount the purchase price to \$2.250 million from the recently appraised value of \$3.250 million to support this non-profit endeavor. RTA WILL FUND 68% OF THE PROPERTY PURCHASE AND CAPSLO's 32% portion of the purchase will be approximately \$715,000. The final dollar amount will be determined by the specific size parcel's ratio to the total property. Currently CAPSLO has received approved financial support toward the purchase of \$250,000 from the City of San Luis Obispo.

We are requesting the County of San Luis Obispo consider a grant to CAPSLO of \$500,000 towards the project (\$250,000 towards the purchase of the property and \$250,000 towards construction of the Services Center). CAPSLO will then return the undeveloped South Higuera location property unencumbered to the County, canceling the current 40 year lease. If the proposed purchase of 40 Prado Road is not completed for any reason, the County's granted funds would not be utilized by CAPSLO.

Project Estimated Schedule

The current schedule for the proposed property purchase is expected to close by approximately June 30th of 2014. We anticipate the Foundation fund-raising campaign to begin upon signing of the escrow documents. Our goal would be to start construction by mid- year 2015. The construction once started is expected to take nine to twelve months to fully complete.

The project itself is being reviewed by committee teams and we anticipate a smaller version of the previous plan to be the focus of the initial construction. We expect the facility will house 100 beds for families, women and men, with the ability to handle additional emergency sleeping capacity of 50 to 75. The initial budget for construction is currently estimated to be in the range of \$4 Million.

The services provided will be consistent with those previously planned, **(see attachment A)** including a working kitchen with job training opportunities for clients. We also expect coordination of services with DSS, TMH, CHC, Veterans Services, Mental Health, Drug & Alcohol, Probation and other providers at the facility.

The ability to house all operations at one facility and to organize the scope of operations we believe will make the ongoing operational costs more reasonable. In addition, the significant costs of repairs we currently are dealing with to the two old facilities should be reduced. We also expect to have opportunities for sources of income such as the working kitchen and the CHC operation.

We are very thankful to the County for your continued support of CAPSLO's efforts to help the low income population in our community and we value your commitment to helping those less fortunate strive to become self-sufficient. Helping the homeless population in San Luis Obispo County continues to be a complex and challenging subject, but we believe the ability to bring the needed services and providers together in one focused center will be a major step towards true progress.

If you have any questions concerning this request, please give Jim Famalette or me a call.

Thank you in advance for your consideration.

Sincerely,

"Biz"

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<http://www.capslo.org/>

Elizabeth "Biz" Steinberg – CEO

Community Action Partnership of San Luis Obispo County

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- 3) Media
- 4) Governance/Community
- 5) Programs/Services
- 6) Property/Facilities
- 7) Executive

Attachment "A"

Homeless Service Center -- Facilities and Services

Interior

Family Dorm

Women's Dorm

Men's Dorm

Showers & Restrooms

Storage Lockers

Laundry

Multi-Purpose Room

Commercial Kitchen

Dining Area

Linen Storage

Support Offices

Provider Offices

Security

Exterior

Parking (100 spaces estimated)

Bicycle Racks

Outdoor Area

Kennel

Security Cameras